

IT Governance Reform ~ Agency Town Hall Meeting



The Honorable Aneesh P. Chopra

Secretary of Technology

January 30, 2009



Agenda for Discussion

I. Opening Remarks

II. Framing the IT Governance Challenge

III. ~ Obama's Open Government Agenda

IV. Facilitated Discussion on Agency Feedback



Virginia Leading the Way

A Strong Foundation of Leadership





• Best State for Business (2006-8)



 Highest Concentration of Technology Workers (2007-8)

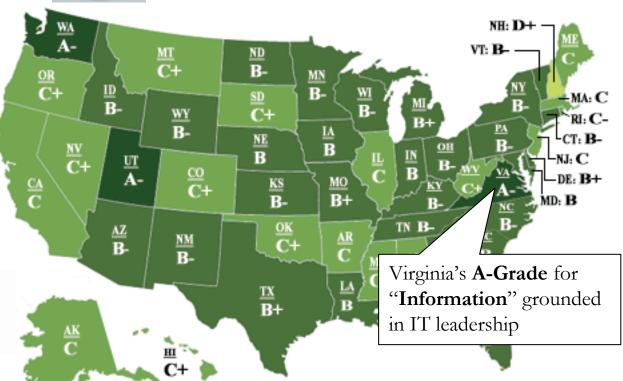


• 1st in the Best of the Web (2008)



Government Performance Project

Grading the States 2008





Technology Agenda

IT Governance Reform at the Heart of Effective, Efficient Government

Ι

Simplify Government Operations

#IT Infrastructure: Establish a benchmark to achieve greater customer satisfaction with centralized IT infrastructure services Lead: VITA

#Productivity Improvement:

Lower operating costs, decrease constituent transaction time or advance key outcomes measures in selected government operations *Lead:* DPB/VEAP

Today's agenda for discussion

II

Advance the Governor's Agenda

#Healthcare IT: Promote transparency and accountability in healthcare through IT
Lead: Office of Health IT

#Broadband Assistance and

Telework Promotion: Enroll 20% of eligible state workforce in telework and ensure universal broadband access for business by 2010

Lead: Office of Telework/Broadband

#STEM Education: Support
Governor's Career and Technical
Academies to expand talent base for
technology workforce
Lead: Workforce Advisor

III

Promote the Technology Economy

#Seed-Stage Capital Access:

Double the number of innovative companies funded at the seed stage *Lead:* ITA

#Industry-Sponsored R&D:

Achieve \$1.2BN in public university R&D and leverage private investment for Commonwealth research funds *Lead*: VRTAC



Budget Actions - VITA/VEAP

Partnership Approach to Fund Modernization, Streamline IT Oversight

- Proposes Changes to Support IT Infrastructure Partnership
 - Adjusts funding (**no new funds**) to address GF impact on de-centralized rates implemented after 2006 federal cost allocation intervention. For FY09, **\$13.0M(GF)**; FY10, **\$6.0M(GF)**
 - Directs the IT Investment Board to address any gap between budgeted funds and projected costs within affected agencies for decentralized services through changes in transformation planning, applications services, and information technology contractor support; action requires expanding ITIB oversight authority to govern all IT spending in Commonwealth (HB2539)
- Carries Forward Governor's Budget Cuts, Introduces Targeted Reductions
 - VITA and VEAP (combined) absorb overhead budget reductions commensurate with cuts announced in October. For each year, \$500K
 - Transfers unobligated E-911 Funds to support sheriff dispatchers. For each year, **\$6M(NGF)**
- Consolidates IT Governance through Merger of VEAP, VITA; expands IT oversight
 - Advances the Commonwealth's IT Modernization initiative by empowering the ITIB to govern all IT spend applications, infrastructure, and contractor IT support

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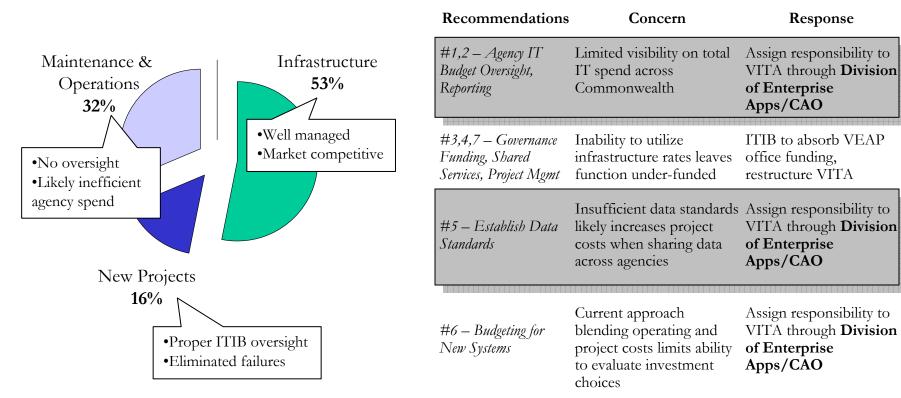
IT Governance

Collaborative Effort to Address IT Governance Gaps

REVISED - APA IT Governance Report \$450M Spend - FY2007*

APA Select Recommendations

Proposed Legislative Approach





Infrastructure

10-Year Public-Private Partnership to Modernize IT Infrastructure

Messaging Services



-Enterprise Exchange/Outlook Email -Enterprise Collaboration Tools -Active Directory, DNS \$25M Investment

Mainframe and Servers



-New IBM and Unisys Mainframes in New Data Center
 -Consolidation and Refresh of Servers
 -Migration of servers to the Data Center
 \$50M Investment

Facilities Tier 3 and Tier 2



-New Data Center/Office Building in Chesterfield -New Disaster Recovery Center and Help Desk in Russell County \$60M Investment

Desktop



-Mass Desktop Refresh Projects
-Network Printer Consolidation and Refresh
-Enterprise Desktop Management Systems
\$35M Investment

Desktop



Help Desk

-Enterprise Help Desk in Russell and Chesterfield Countie:
-Field Based Agents and Technicians for Level 3
-Enterprise Help Desk System (Peregrine)
\$10M Investment

ISTORMATION

\$270 Million Investment

Reliable, High Performance, Enterprise-Wide IT Infrastructure

"People – Process – Tools" Network



-New Commonwealth-wide MPLS Core WAN
-LAN upgrades to Local Switches/Routers as Needed
-Network Re-addressing of IP, DHCP
\$60M Investment

Security



-Enterprise Security Operations Center -Computer Security Incident Response Center -Secure Internet Gateway \$10M Investment

Voice / Video



 -Voice over IP Network Optimized for Voice and Video Traffic \$20M Investment

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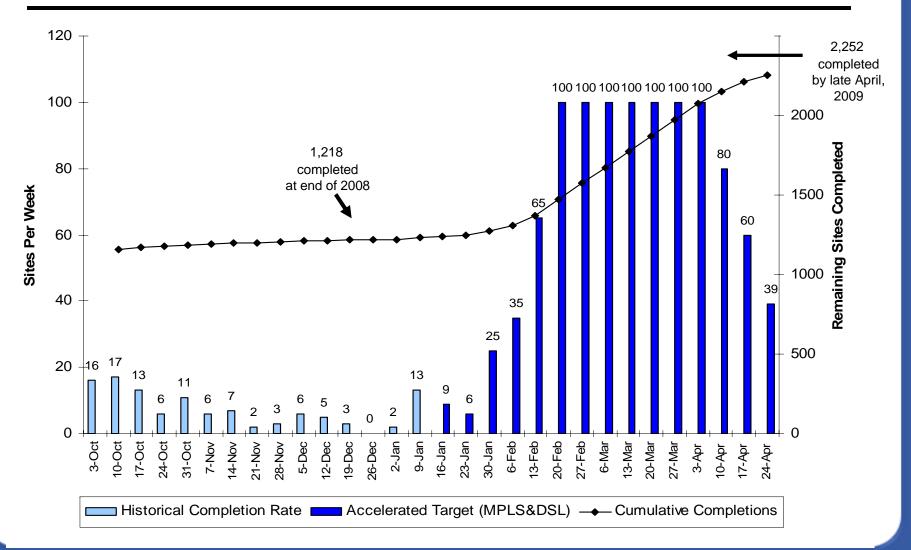


Entering an Accelerated Path to Complete Transformation On-Time

	Summary Transformation Progress			Current Tower Transformation Progress							
		Jul '08	Oct '08	Current Jan '09	Network	Desktop	Messaging	Serve	r	Help Desk	Security
Service Level Measurements				60%	90%	84%	18%	34%		84%	50%
Agency Transition	Asset Count							Server Transform	Server Relo		
Total - All Agencies	216,297	42%	47%	55%	24%	86%	24%	83%	35%	94%	42%
Juvenile Justice	6,100	48%	59%	95%	95%	100%	98%	100%	99%	100%	70%
Environmental Quality	2,187	22%	33%	79%	82%	70%	49%	100%	99%	100%	50%
Taxation	5,715	31%	42%	70%	100%	100%	67%	100%	0%	68%	54%
Health	23,903	48%	54%	67%	86%	100%	99%	24%	0%	100%	60%
Corrections	19,622	30%	37%	65%	85%	100%	17%	100%	0%	100%	52%
Agriculture and Consumer Services	2,002	41%	58%	63%	11%	100%	45%	100%	50%	100%	38%
Rehabilitative Services	1,519	30%	43%	63%	97%	100%	65%	20%	0%	100%	57%
Game and Inland Fisheries	3,157	33%	36%	63%	40%	100%	50%	100%	0%	100%	49%
General Services	2,714	32%	33%	62%	0%	100%	0%	100%	100%	100%	32%
Correctional Education	7,487	33%	48%	55%	0%	100%	43%	100%	0%	100%	42%
Mental Health, Mental Retardation, and Substance Abuse Services	11,993	28%	41%	54%	66%	100%	56%	2%	0%	100%	51%
Transportation	28,589	42%	44%	53%	93%	31%	27%	75%	0%	100%	47%
Education	2,498	26%	36%	53%	100%	29%	84%	8%	0%	100%	48%
Conservation and Recreation	1,813	34%	38%	48%	13%	54%	35%	100%	0%	100%	34%
Alcoholic Beverage Control	2,576	16%	32%	42%	100%	47%	11%	41%	0%	50%	44%
Housing and Community Development	1,050	33%	33%	33%	0%	100%	0%	100%	0%	0%	33%
Social Services	34,193	2%	9%	30%	16%	38%	7%	26%	22%	75%	25%
Employment Commission	7,972	11%	13%	14%	81%	1%	1%	0%	0%	0%	17%
Motor Vehicles	21,143	1%	3%	10%	1%	3%	0%	52%	0%	0%	12%
State Police	6,879	0%	0%	4%	0%	18%	0%	0%	0%	0%	11%



"Double-Click" On Network Transformation Schedule to See Pace





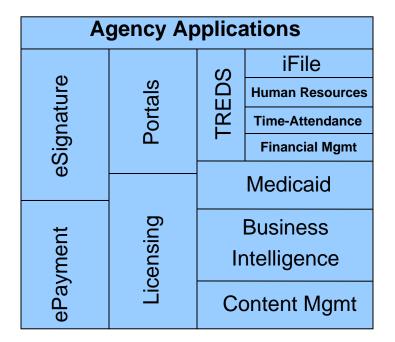
New Projects

Towards a Future State with Enterprise Applications, Shared Services

Current State

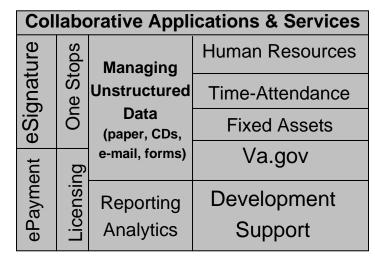
Enterprise Applications				
FM	Payroll	Procurement	HR	

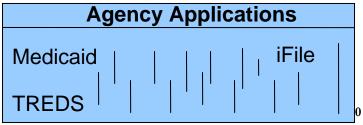
Collaborative Services			
HR	Payroll	PR	



Future State

Enterprise Applications				
FM	Payroll	Procurement	HR	
(Core)	(Core)	(Core)	(Core)	







Path Forward

Enterprise Applications on Track for Development

- Authorizes VEAP to invest in the Commonwealth's future with funds to continue significant enterprise shared services efficiency opportunities
 - ITIB approved \$11M budget from working capital (4/08) and continues active oversight role to monitor collections and cost recoveries deposited into ITIB-governed Fund ("VTIF")
 - APA Report on VEAP (9/08) disclosed priority initiatives:
 - **Planning:** Central Administrative Systems (Finance, HR)
 - Procurement: Performance-based Budget System, Business Intelligence
 - Major IT Projects: Enterprise Content Management Shared Service
 - Minor IT Projects: "One-Stops", Digital Signatures, Web Services
 - Applications Governance: Implementation of the "CIO-CAO Operating Plan"
- Finance Secretary actively pursuing collections and cost recovery revenue sources
 - Initiated TAX cost recoveries program (4/08); determining historical return vs. CGI return to calculate share towards capital advance
 - Sec of Finance assigns David Von Moll (DOA) to lead overall effort
 - Budget language introduced includes DMAS equipment recoveries
- VEAP Director establishing agency "MOUs" to "payback" capital advance
 - Enterprise Content Management Shared Services Center the pilot collaboration applications and services model



Comprehensive Applications Governance

Reforms Transfers VEAP to New Division of Enterprise Apps in VITA

Mission Statement - VEAP

• To enable Government by providing effective, efficient, necessary and secure applications to meet the needs of citizens, businesses and government. This will be accomplished by providing delivery mechanisms that allow customers to serve themselves; applications which enable delivery of efficient and effective services; a unified framework for application governance, planning and management and; secure, reliable, confidential, and trusted services.

Intent

• To create efficient and effective business capability while optimizing investments.

The future demands multi-agency, collaborative solutions; VEAP is the only organization positioned to deliver



Added Responsibilities to Initiatives Launched by CAO/VEAP

- Chief Applications Officer Initiatives
 - Application Strategy
 - Application Portfolio
 - Data Standards
- Newly Proposed Initiatives
 - Agency Application BudgetReviews
 - IT Staff Augmentation Expenditure Approvals

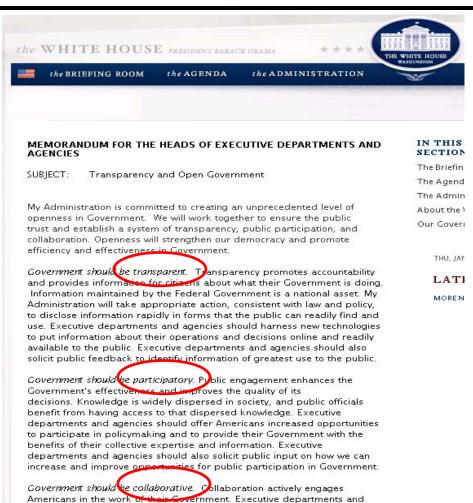
- VEAP Initiatives
 - Central Administrative
 - Financial Management
 - Performance Budgeting
 - Collaborative
 - Time & Attendance Labor and Leave
 - Business Intelligence
 - Enterprise Content Management
 - Business One Stop
 - Licensing

Leveraging agency initiatives to meet enterprise requirements



Obama Open Government Agenda

New Administration Set to Deliver "Government 2.0"



agencies should use innovative tools, methods, and systems to cooperate

Three Pillars

- •President Obama declares intent to appoint nation's first "Chief Technology Officer", assigns three pillars of open government:
- Transparent: A commitment to ease access to valuable public information to hold leaders accountable and encourage citizen feedback
- Participatory: A commitment to actively engage the expertise within the general public to provide better public services or make better decisions
- *Collaborative:* A commitment to breakdown silos to deliver better citizen service regardless of level of government, nonprofit or private sector organizations



Pillar #1 ~ Transparent

Virginia Performs "2.0" to Include Productivity, Administrative Data

Virginia.gov Online Services | Commonw

Online Services | Commonwealth Sites | Help | Governor

Search Virginia.gov

GC

Virginia Performs

VISION FOCUS RESULTS

Key Objectives at a Glance Executive Branch Agencies



Home

Agency Login (password required)

State Agency Planning & Performance Measures



How does Virginia plan and measure the performance of state agencies?

Virginia state government agencies develop and implement **Strategic and Service Area Plans** to support achievement of their long-term objectives and to fulfill their missions and mandates.

Agencies measure their performance in four ways:

- . Key Measures related to their core missions
- Productivity Measures related to the costs associated with core business functions
- · Administrative Measures related to critical management and compliance categories
- Other Measures related to performance and service area functions

As part of the Virginia Performs commitment to transparency in government, details on these plans and measures are available heres. Learn what objectives each state agency has set and view how agencies are measuring progress against those objectives. Also see how state agencies are measuring up on key productivity and management criteria. Explore the data for yourself. Discover why Virginia has earned the title of best-managed state in America.

First time users may wish to begin with the Visitor's Guide and our About State Agency Measures page.

Performance Measures

Governor's Key Productivity
Measures Measures

Administrative Measures Other Agency Measures

Strategic Plans

Agency Strategic and Service Area Plans

- Overview by Secretariat
- Select an Agency

Search for a keyword or phrase

Search



Productivity Measures

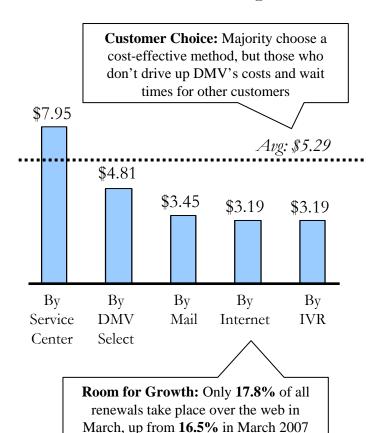
DMV Case Study Highlights Administrative Cost Savings Opportunity

DMV Productivity Measure

- >DMV currently uses Activity Based Costing to monitor and evaluate its activities for cost effectiveness. This allows DMV to determine unit costs across an array of activities.
- ➤ Vehicle Registration Renewals represent the highest volume activity at DMV and impact most Virginians on an annual basis.
- ➤ Vehicle Registration revenue primarily supports Virginia's Highways, but DMV retains \$4 out of every registration to cover administrative costs.
- ➤ Measure DMV will reduce the average cost of completing a vehicle registration renewal transaction by moving transactions to cost effective delivery channels
- ➤ Pursuing cost effective service delivery will support two of DMV's Key Performance Measures: Customer Wait Time and Customer Churn Rate

Virginia DMV

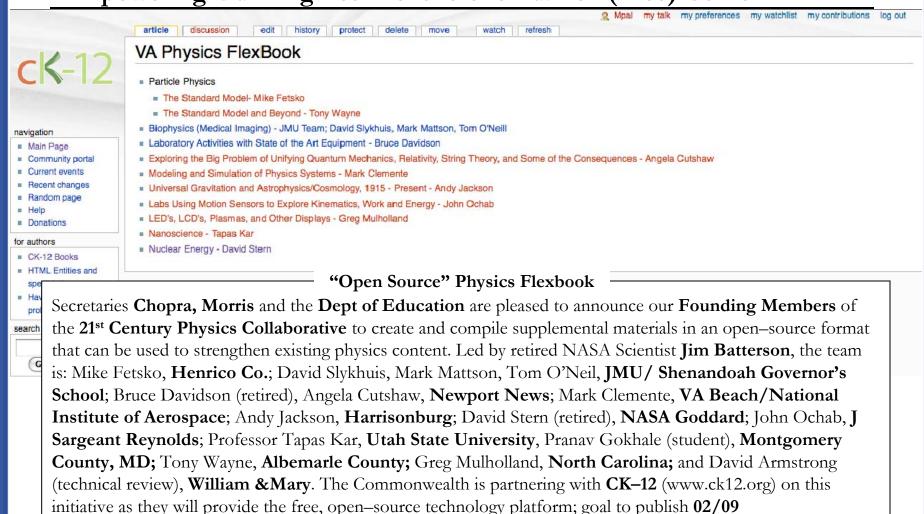
Cost to Renew Vehicle Registration





Pillar #2 ~ Participatory

Empowering Our Brightest Teachers to Publish (Free) Content

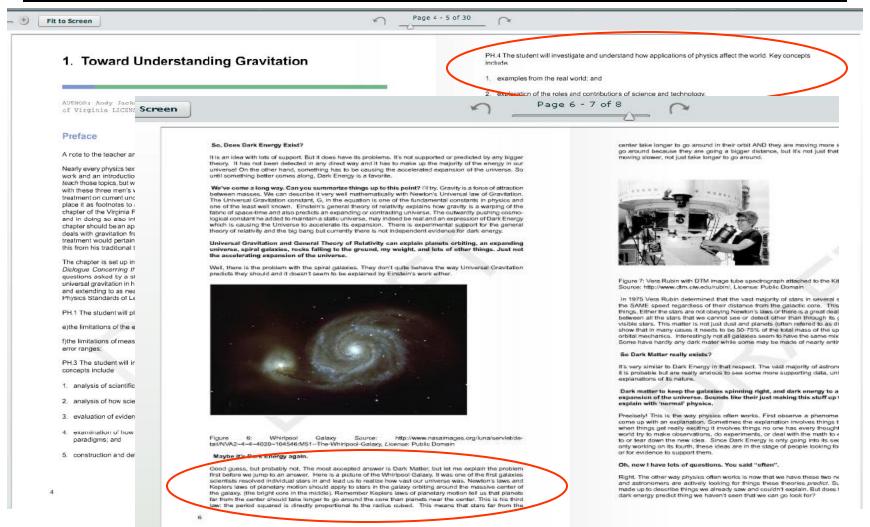


Source: virginia.ck12.org



VA Physics Flexbook v1.0

Preview of Online Platform for Supplemental Educational Materials



Source: Andy Jackson Chapter, virginia.ck12.org



Pillar #3 ~ Collaborative

"Business One Stop" Portal Accelerates New Company Formation

USINESS ONE STOP	
Virgina's Business One Stop system is a service provided by the Virginia Depa business formation in the Commonwealth and thereby contribute to our eco registration requirements for the user's business situation and assists with par While our ultimate vision of the Business One Stop system is to include busin through which existing businesses communicate with the state, the impleme phase one will help with the creation of NEW Virginia businesses only. Further broad industry sectors. Entrepreneurs interested in starting a Professional foot use this system. Companies with unique formation requirements like ban't phase One of Virginia's Business One Stop system is not designed to assist with nonprofic organization and/or charity formation. For questions about use Virginia Department of Business Assistance at ybic@wdba.virginia.gov . NOTICE: This is a new service that will be enhanced frequently. If you encome such as the surface of the properties of the properties of the properties of the Virginia's Business One Stop is designed to accelerate new business for Virginia's economy and workforce. First, we want to make sure you are ready by asking 7 questions: Are you starting a new for profit business in Virginia? Yes No No No No No No No No No N	nomic prosperity. This service provides specific licensing, permitting and tail completion of the necessary forms. ass formation requirements for all new business types and to be the channel nation of the Business One Stop system will be in phases. The scope of properties of the Business One Stop system will be in phases. The scope of propration (P.C.) or a Professional Limited Liability Corporation (P.L.L.C.) should, insurance companies, utilities etc., should not use this system. In addition, th registration for foreign business entities seeking to operate in Virgina, or
Do you have a Federal Employer ID number (FEIN)?	
○ Yes	
○ No	
Do you have a business location (physical address)?	
○ Yes	
○ No	
If you are a home-based business, have you contacted your local jurisdiction	to see if the activity is permissible under local zoning regulations?
○ Yes	

"Best State for Business"

- The One Stop Portal has processed **4950 new** accounts since its launch, **May 2008**, after only ~8 weeks in development (through 12/31/08)
- DBA estimates that **users have saved** between **3-5 days** during the incorporation process based on recent survey responses (**14** questions now replace up to **107** one would have had to fill)
- Former EBay CEO, **Meg Whitman**, "applauded Virginia for its efforts to help startups and small businesses by streamlining the registration process to operate in the state" at the **11/08** NVTC gala
- Phase II: New portal focused on TAX, DGS, DMBE, VEC, DBA requirements planned for May 2009; self-financed following \$150,000 initial Productivity Investment Fund award; VEAP-Managed



Healthcare Administrative Simplification

Payer-Provider Collaborative to Lower Transaction Costs



Universal Eligibility Portal

Goal: Lower transaction costs associated with verifying a patient's insurance eligibility by jointly procuring a common portal for Virginia providers to use when interacting with Virginia Payers

Scope: Allow a provider to retrieve up-to-date eligibility information on a patient from any participating Virginia health plan from a single point of entry.

The VHEN Charter

Following an initial summit in Richmond with Virginia payers and providers discussing scope and focus for a **Virginia Administrative Exchange** modeled on NEHEN, the VHEN workgroup formalized a charter in **October 2007;** charter members include **9 health plans** and **7 health systems** including MCV, UVA, Riverside, Anthem-Wellpoint, Aetna, and DMAS